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FEP Reaches Agreement With OPM On Standard Option Planned Surgery Out-Of-Network Benefit Change

New benefit has co-insurance consistent with existing Standard Option out-of-network benefit structure

WASHINGTON – In response to the Blue Cross and Blue Shield Association's (BCBSA) Federal Employee Program (FEP) members' concerns and those raised by Rep. Danny Davis and his Subcommittee on the Federal Workforce, Postal Service and the District of Columbia, Steve Gammarino, BCBSA senior vice president of national programs and the Service Benefit Plan, today announced an agreement has been reached with the Office of Personnel Management (OPM) to change the design of the 2009 Standard Option planned surgical, out-of-network, non-participating provider benefit.

"As a result of our collaborative efforts with OPM and in response to their request that all Federal Employees Health Benefits Program plans re-evaluate out-of-network surgical service payments, we have improved the process and FEP's Standard Option members now will have a benefit consistent with other out-of-network services in 2009," said Gammarino. "We thank Rep. Davis for his attention to this matter and his support of our efforts to reach a workable resolution. We also want to thank our members for their patience as we worked with OPM to find a solution."

Under the new benefit, FEP will pay 70 percent of the amount specified by the plan allowance for planned surgeries performed by non-participating providers and members will be responsible for 30 percent of that allowance. This 30 percent of the allowable expense is their financial responsibility along with the FEP Standard Option's annual deductible. These costs will be limited by FEP's annual catastrophic maximum of \$7,000. This benefit does not apply to emergency surgery or surgery for accidental injuries within 72 hours of such an occurrence.

In addition to their 30 percent responsibility, members using a non-participating surgeon will, as they have in all previous years, be responsible for making up the difference between FEP's plan allowance and the billed amount – or the “balance bill.” To provide Standard Option members with information to help them avoid unexpectedly high balance billing, FEP is initiating a pre-approval process for higher-cost out-of-network surgeries – meaning out-of-network surgeries with a billed charge of \$5,000 or more.

Generally, the cost of care is less if a Blue Cross and Blue Shield preferred or a participating provider is used but when a surgery is planned using a non-participating provider, Standard Option members may call the customer service number located on the back of their I.D. cards before the surgery to request prior approval. This process will give members using non-participating providers specific benefit information to help them estimate their out-of-pocket costs. Using this information, members can make a more informed decision about the provider or surgeon they select for their care with a more thorough understanding about their medical bills.

More detailed information will be mailed to members and made available on the FEP website (www.fepblue.org) during the week of December 15th.

The Blue Cross and Blue Shield Association is a national federation of 39 independent, community-based and locally operated Blue Cross and Blue Shield companies that collectively provide healthcare coverage for more than 102 million individuals – one-in-three Americans. For more information on the Blue Cross and Blue Shield Association and its member companies, please visit www.BCBS.com. For more information on the Blue Cross and Blue Shield Federal Employee Program, visit www.fepblue.org.

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